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UNIVERSITY OF MINNESOTA MAY '51

THE LAST PHASE

By Edna Lonigan

General MacArthur's triumphant journey from Tokyo to the halls of Congress is a political earthquake. But the line of cleavage is not between Republicans and Democrats. It is between the people and the mysterious entity called the Fair Deal.

The Truman Administration started out as an era of good feeling. Those who did not like the New Deal were glad we had a homespun Missouri Democrat in place of Roosevelt. They liked his looks, his Midwestern accent, his unexpected dignity in dealing with Congress, with the press and with the chiefs of foreign nations.

The new President took up the task of international conferences where Roosevelt dropped it, and then, after Potsdam, said what most Americans wanted to hear, that he would go to no more such meetings.

But it soon became apparent that he followed Roosevelt's policies, and he clashed with Congress over price control.

Disillusionment with Soviet Russia set in and, when England announced that she could no longer support her commitments in Greece, we took over, under the Truman Doctrine, promising to oppose military force with force, if any nation was threatened by the U.S.S.R.

The Greek-Turkish program changed rather suddenly into the "Marshall Plan" for economic -- not military -- aid to all Europe. That evolved into a military alliance, then into arms for Europe, and finally into the plan to send troops to garrison duty there. But though we spent billions, Europe remained helpless against Communist assault.

Meanwhile China fell. We evacuated Korea, and announced that Formosa was not important to our defense line in the Pacific. Plans were made instead to extend the Marshall Plan to a billion people in Asia and Africa. Then the Communists moved in to fill the military vacuum we had left.

The President decided to enter the war. After bloody fighting the general who had snatched victory from defeat was summarily dismissed. An outraged people bore him in triumphal procession half-way round the world. The President was booed in a Washington ball park.

It does not make sense.

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Obviously something is needed to explain this strange performance -- something more than mink coats, deep freezers or Pendergast politics.

There is a simple explanation. It is to be found in a speech of Earl Browder's which is reprinted in a report of the Committee on Un-American Activities in March, 1944.

Browder told the American Communist movement it was to abandon the Communist "Party" and set to work, especially through the trade unions, to form a mass organization with members throughout the United States.

The PAC under Sidney Hillman carried out the plan laid down by Browder. Of course 98 per cent of the trade union members did not suspect that the Soviet government had planned their organization, their policies and even their publications.

The purpose of forming this mass organization was to build "national unity", to preserve the "gains" of Teheran. It was to unite everyone -- workers, farmers, managers, even financiers -- in a drive on the "Fascists" and defeatists, those who doubted that the alliance with Soviet Russia could continue into peacetime.

Stalin and his advisers realized at Teheran that Roosevelt was dying, and that they must choose his successor, and get him elected, or they would lose all the gains the Hisses and others had won. The Soviet leaders also knew that Roosevelt had smashed the Democratic Party, and that whoever mustered the strongest political power could take it over and run it, under the old symbols.

The Communists then built up a network of local political "machines" in each Congressional district, formed first about the labor unions, but gradually drawing in intellectuals, farmers, women and religious groups. This was the familiar Popular Front, with which the Communists had softened up France under Blum, before the Nazi-Communist attack.

Truman was chosen as candidate for Vice President by Sidney Hillman, at the suggestion (according to Jonathan Daniels in his recent book A Man of Independence) of Max Lowenthal, who had known the Senator from Missouri for years through Congressional investigations of the finances of the railroads.

The organizers of this coalition were ordered to abandon their revolutionary slogans and to concentrate on uniting all groups except the "reactionaries", in order to better destroy the enemies of "unity" with the U.S.S.R. Their particular hates were Hoover, Farley, Byrnes, Forrestal and -- MacArthur.

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William Z. Foster reported to the Cominform early in 1950 that this plan had succeeded far beyond all expectations. Its followers included members of all religions, all social classes.

This pattern of the Popular Front is the only concept that will explain the strange history of the Truman Administration. If you examine our foreign policy, our unusual military ineptitude, each of our Presidential and Congressional campaigns, the vagaries of our labor leaders, and the spread of defeatism and enervation in our literature, the pieces all fit. They fit the military needs of the Soviet Union, to divide us, to sow defeatism, and to make us spend ourselves into bankruptcy.

III

The American people have not had a government of their own since 1945. They could not get anything constructive accomplished in foreign or military affairs because they had no government to do it for them.

Their government has been captured from within, by a few secret agents in key positions, as Norway was captured by a few Nazi agents placed in key positions by Hitler before his armies struck.

It is time we stopped talking of our present "government" with words that apply only to an American government. We need a new language to describe the "government" we have today.

We do not have a "President" in the American sense, because there is no longer a balance between Executive and Legislative power. The office has grown until it doth bestride the narrow world like a colossus. We do not have departments or bureaus in the American sense, because Congress does not define their duties or set limits on their power. In a government by law, it is essential that the legislature, which does not benefit by adding bureaus or extending their power, should create and define all government agencies, as Madison pointed out in the Federalist Papers. We do not have a budget or appropriations in the American sense. When money is managed by the government, all figures are lies.

Our present-day government is like a great banyan tree, towering high above everything, and sending arms out to start new roots in organizations we still think of as private -- the labor unions, colleges, women's clubs, churches, foundations and business associations. This combine of public and private agencies, directed by a small inner group, now has almost complete control over the flow of news, ideas and discussion in the press, movies, radio and moving pictures, and the press of private organizations. It does not crudely forbid freedom of discussion. It merely "jams" the press and the other media with banalities written or whispered by its hired ministry of enlightenment.

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The American people never thought about how to manage such a combine. They did not know it was operating under the outward signs of their own kind of government. The Soviet leaders knew. They knew in 1943 they must take it over before we woke up.

IV

Defeat and total eradication of the Popular Front party in the United States is the first condition for any hope of peace, or of survival of the United States as a nation.

The Opposition party so far has suffered only heartbreaking defeats. They are like Thor in the German fable, who put forth prodigious efforts to eat all the meat in the trough faster than his opponent, only to find his opponent consumed meat and bones and the trough itself. Thor did not know he was fighting not a mortal, but Loki, God of Fire.

The Popular Front in the United States cannot be defeated by any normal political strategy or party policy. It is a military organization to be defeated only as any usurping government is defeated by organizing the "resistance".

Until a few weeks ago, the people were apathetic or cynical, there were no visible leaders, and all communication was blurred by the Government's propaganda skill.

Suddenly the President dismissed our foremost general, the people poured a tidal wave of letters and telegrams upon Congress. MacArthur's course led straight as an arrow to the Waldorf Towers, from which Herbert Hoover had been valiantly trying to arouse opposition to the sellout of our country. Now we have an aroused nation and potential leadership.

The line of political cleavage is now clear -- between a foreign policy that fits Soviet military needs and one that puts American security uppermost. At home the same cleavage runs between a governmental pyramid the Soviet agents can penetrate, and the simple American government that foreign agents cannot manage. Congress has in the power of the purse the means to tear down the Bastille.

The Truman Administration will use every ounce of its tremendous power to discredit MacArthur. They will try to break his heart as they did Forrestal's. Will they win? As "Not Merely Gossip" asked last week: Can leaders and the people together defeat the machine?

The answer turns on one fact. In the "resistance" every fighter counts. No one else counts. Every editor, every reporter, every clergyman, every club officer, every man in the street, must take his place in the ranks and do what is nearest him to win this battle.

If we fail ----.

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Not Merely Gossip *A Supplement to Human Events* Vol. VIII, No. 18

UNIVERSITY OF MINNESOTA RECEIVED MAY 8 '51

By Frank C. Hanighen May 2, 1951

BITTER TEA OF THE GENERALS: Events of the past forty-eight hours in the Capital have hastened what everyone privately knows, but no one publicly says, is a crisis of the generals (and admirals too). Most of the public prints, of course, hold up their hands in fastidious horror at Senator Taft's foray against General Bradley in particular and the Joint Chiefs of Staff as a body.

The myth has been that never, never could a high officer possibly lend himself to the political maneuvers of the high civil officials who are responsible for his appointment and continuance in his position. That, indeed, held true before FDR; but, for a decade, the situation has been quite otherwise. Last week Taft breached this well-kept legend.

But the real story goes behind the struggle of words, speeches and editorials. In the White House -- already badly rattled by the MacArthur phenomenon -- fear has arisen that the Joint Chiefs of Staff, summoned to testify before the Armed Services Committee later this week, might conceivably revolt against their civilian masters and -- tell all. That may not happen, but the fear is present.

This nightmare of the Administration strategists springs from three matters, some of which have the appearance of fact rather than rumor, but in any case in the now fluid political situation, are cause for worry, whether as fact or rumor. They are as follows:

(1) That the Taft attack has actually emboldened some members of the Joint Chiefs of Staff, who have been reluctant to play the Administration propaganda game, to consider speaking out frankly before the Committee. (Mr. Arthur Krock in the New York Times, May 1, presents a picture of General Hoyt Vandenberg and Admiral Sherman avoiding offers by the Government to have them speak on various public occasions.) These chiefs of our defense, of course, naturally fear their superiors in the civil branch, but it is believed that they have developed a healthy fear of how the public will react -- the public, whose acclaim of MacArthur has been so great.

(2) That several generals, not on the Joint Chiefs of Staff group, are in a mood to tell all -- and damn the consequences. For they are past retirement age, and have offers of jobs in private life.

(3) That General Bradley is again talking feelingly about how much he would like to retire. (This is a fact which we well know.) One does not build up, publicity-wise, a figure and then let him "fade away". Therefore, the "thought controllers" who have a vested interest in these figures are apprehensive.

Finally, the publication of the Wedemeyer Report on Korea offers no cheer to those who think they know what's best for us to think.

In view of the foregoing, the Administration is not as cocky as the President appeared to be when he faced a press conference the other day.

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ADMINISTRATION COUNTER-ATTACK: Despite alarm among the Palace Guard, its members are not idle. Dossiers of material which might be used to smear MacArthur are being readied. But this stuff, it is believed, will be held until an expected public decline in interest in the MacArthur affair appears.

That point has not yet been reached. So, the "thought control" brigade has seized upon another classic tactic of the Fair Deal. "If you can't answer an argument, just confuse it", is an old adage of the bureaucracy. Apparently, pressure has been applied to Senator Russell, head of the joint Senatorial group, scheduled to hold the hearings. Russell has come to the aid of the embattled party and it has been decided to keep the hearings secret.

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As everybody in the Capital knows, this is a good way to provide forty channels for "leaks" of information (there are forty members of the two Committees composing the hearings group). The Washington Star ran a cartoon depicting the expected "leaks" taking flight from the dome of the Capitol.

Certainly, in this way, the objective of "confusion" would be achieved. Then, the Administration thought-controllers hope, the public feeling about MacArthur's dismissal would evaporate. It remains to be seen what will be the country's reaction to the "secret" treatment.

The fact is that old hands in Washington, sympathetic to MacArthur, doubt that the Opposition can win the fight over MacArthur (unless foreign events determine otherwise). The Administration propaganda machine is powerful and, as a rule, astutely handled. Moreover, as we have frequently stressed here, the Opposition has no comparable apparatus to combat the Administration. Most wealthy men -- Republicans or Jeffersonian Democrats -- disperse funds to non-political institutions (hospitals, churches, etc.); or actually bankroll foundations which feed propaganda "raw materials" to the Fair Deal. And, as yet, the mass of the people in revolt against the treatment of MacArthur have spawned no mass organization. You can't beat something with nothing.

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BARUCH: Against this remorseless drive of Administration propaganda, an unexpected road block was suddenly erected. The directors of the propaganda had been counting heavily on Winston Churchill's aid to allay anti-British sentiment and to provide the usual brilliant oratory against MacArthur. Churchill was scheduled to give a lecture in Philadelphia on May 8. On April 27, he cancelled the date and said he would not visit America.

It is now known that the agent of this shift in plans was none other than Bernard M. Baruch. It is reported that Mr. Baruch talked to Churchill on the transatlantic telephone and advised the British statesman not to carry out his plans to visit this country. Baruch, it seems, warned Churchill that anti-British sentiment is growing here and might be fed by Churchill's appearance in the American arena.

It is recalled that Baruch and Churchill are old friends, and the statesman -- it is said -- has often profited by the advice of the famous financier. It is also significant and important to understand these episodes to recall that Baruch has been on cool terms with the White House since the 1948 election, when Baruch declined to help raise money for the Truman campaign. Today the feelings of the White House toward Baruch are even more frigid. For the financier has apparently removed a potent British ally from the propaganda forces of the Fair Deal in their struggle with General MacArthur.

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AROUND THE TOWN: Failure of the State Department to obtain needed funds from a Congress which literally hates Acheson has revived reports that the Secretary will resign soon. A spate of such rumors has overrun the town in the past twenty-four hours and the origin is said to be "high places". But there is no confirmation from White House circles. It is being said again that Mr. Paul Hoffman, former ECA Administrator, is a favorite for succeeding Acheson.

---- Senator Kefauver's politically-timed publication of his Committee report has flopped, and his crusade against sin has suffered -- according to most observers here. The kleig-illuminated scenes which stirred people are now reduced, in the report, to polysyllables of moral indignation. The latter bore the average man. Meanwhile editorial writers (see the New York Times and Baltimore Sun, May 2) come to the conclusion that the basic problem -- how to deal with gambling -- is not met.

---- The round robin resolution, circulated by Congressman Lawrence Smith and Congresswoman St. George last February, may be revived. The resolution got about 125 signatures from Republican Members of Congress, and advocated the Taft-Hoover policy of sea-air defense. But, Minority Leaders Martin and Halleck did not sign. Now, there is a move to revive the round robin, to get Martin and Halleck to join up and make it official. More signatures from Republican members are expected.

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---- Typical of "leaks" already occurring is one from a military committee on the Hill. This leak says that a large number of landing barges are being sent across the Pacific. But the exact designation is not known -- whether to Formosa or elsewhere. Members of Congress are speculating, drawing various conclusions. . . .

---- Talk in the House is that the new Wage Stabilization Board (put over by Labor) will encounter heavy weather on the Hill. The working coalition of Southern Democrats and Republicans could well nullify it by voting down implementing legislation and funds.

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ONE VIEW IN THE GRAND DEBATE: We have asked Mr. Jan Ciechanowski, former Polish Ambassador to the United States, a man with a world-wide experience in diplomacy, to give us his opinion on the dismissal of MacArthur. Mr. Ciechanowski, author of a well-known book Defeat in Victory (1947), writes and lectures, and has recently become an American citizen. He says:

"To an unbiased observer the whole controversy on competence between the Departments of State and Defense and General MacArthur appears phony and personally political. The General was instructed to try to localize the conflict in Korea. That is exactly what he tried to do when he suggested meeting the enemy commander to arrange a cease-fire and lay the foundations of a peace settlement exclusively on the Korean issue, without involving the problems of Formosa or the seating of Red China in the UN. But, even before Red China had replied to his suggestion, Washington let it be known that it had been working out with other UN countries a plan for peace negotiations involving all broader Far Eastern issues. Is that the State Department's method for localizing a conflict?

"Only wishfully-thinking civilians could believe that a victorious commander would have a better chance to induce the enemy to enter into peace talks by promises of compromise than by threat of an intensified offensive and of bombing his sources of supply.

"General MacArthur knew that the U.S. and the UN wished to limit their advance to the region of the 38th Parallel. What better moment could he have chosen for making his bid to the enemy for cease-fire and peace talks than on reaching that line of demarcation?"

Mr. Ciechanowski concludes: "On June 27th last, the U.S. Government boldly assumed world leadership in the UN on the Korean issue. Since that time, owing to wishful thinking, to yielding to British and other pressures, it has been gradually losing its lead in the UN and allowing its prestige to be lowered in Asia and in Europe. Now, the dismissal of General MacArthur and its world-wide implications for the U.S. once more places the American Government squarely on the defensive, where the Soviets will do their utmost to force it to remain."

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MCCARTHY: "New York money" has already appeared in Wisconsin for the purpose of beating Senator Joseph R. McCarthy when he runs again in 1952. This is a fact which Republican circles in that state know well, although they have not yet ascertained precise data about the sources of the funds. It is presumed, however, that the money comes from the same "liberal" and "internationalist" elements which have in previous election years intervened in local contests.

It should be recalled that, even before the end of the war, these "raids" were quite a feature in Western states and achieved no little success. The "totalitarian liberals" (as Norman Thomas dubbed them) were then in their money-raising heyday and poured thousands of dollars into Montana to defeat Senator Wheeler, into South Dakota to end the career of Senator Nye and into Minnesota to retire Senator Shipstead. More recently, they tried to stop McCarran in Nevada, but with no success.

In the case of Wheeler, an investigation held by Senator Edwin Johnson (Colo.) showed that outside money had gone into Montana and had produced a "smear" pamphlet which did damage to Mr. Wheeler. Although the present Committee investigating the

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Maryland Senatorial contest of last fall makes much of "Chicago money" in that campaign, they have not -- although pressed to do so -- gone into the matter of "New York money" in other campaigns.

Now, McCarthy, not surprisingly, is the target of the "liberals" in Manhattan. The scheme, it is said, aims at finding some local Republican who has ambitions to challenge McCarthy, to subsidize him and then in the primary next year, to attract support for him from thousands of CIO followers (the Wisconsin primary is "open").

McCarthy, however, has been busy on his own account. He is at work trying to consolidate his support in the Republican party, and reports indicate he is succeeding. He has made three speeches in various parts of the state in the past month, with no little effect.

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PRICE DROP: In the face of a general weakening of prices, President Truman calls for bigger and better controls. His economists have apparently informed him that the drop in demand, and therefore prices, is due to his glorious control program; we need more of it.

This is pure nonsense. Controls do not control; all they do is to make trouble for the people and jobs for the bureaucrats. The good old law of supply and demand thumbs its nose at political functionaries who presume to exert price-fixing powers. Prices go down when there are more sellers than buyers, go up when the contrary condition obtains, and the controllers can do nothing about it.

Prices have dropped because the consumer lacks dollars; he lacks dollars because he is not working. There is a good deal more unemployment developing than is realized. The consumer is not working because the government has thrown a series of monkey wrenches into the economic machine. It has made a shambles of every industry in which metals are essential by forbidding or limiting the use of metals. Shoe workers are out of work because shoe manufacturers do not know what effect the "control" of beef prices will have on the price of hides. Will they have to pay "black market" prices? So, in every industry unertainty prevails as to how the multiplying interferences of the government will affect it; everybody is waiting until the "air" clears. Nobody, except a bureaucrat, earns a dollar while waiting.

Perhaps none of the political shenanigans that befuddle our economy is so all-pervasive as the effort to constrict the banking business, simply because credit is the lifeblood of our economy. Using the excuse that loans to business are inflationary -- they are not -- the government has been pressuring the banks to curtail them. The real reason for this move is to try to stop the flow of funds from government securities to productive enterprise. The result of such intervention is to discourage production, which is the source of all wages. Building loans have been made difficult to obtain, inventory loans are just about impossible.

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DELAYED INFLATION: But -- and this is the great anomaly of the situation -- there is no general disposition to look upon the present situation as deflationary. The current price drop is described as a "corrective", with higher prices in the offing. That is because the government's spending program is decidedly inflationary.

Inflation does not occur when the government appropriates money for munitions. It occurs when the munitions worker gets his pay envelope and brings it to market. Since he does not make the things he wants to buy, there is a scarcity of those things, and he bids against his fellow worker for what little there is. Hence, when the orders being placed leave the drawing boards and enter the shops, the upward spiral of prices will be resumed.

Maybe that condition -- which might be termed "delayed inflation" -- is what Mr. Truman had in mind when he called for bigger and better controls. The proposal to offset the anticipated inflation by cutting down non-defense expenditures, which would eliminate jobs of his political followers, does not appeal to him.

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